



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 5/27/2008

GAIN Report Number: TH8081

Thailand

Grain and Feed

Weekly Rice Price Update

2008

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

Domestic and export prices dropped significantly due to a slowdown in foreign buyers' demand. Most enquiries have not concluded as sales as quotations are considered to be too high.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending May 26):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,110	-	-	-	1,180	1,100	-	1,130	1,185
WR 100 B	890	-	-	-	840	850	850	858	995
PB 5%	-	-	-	-	920	910	1,000	943	1,040
WR 5%	860	-	-	-	820	840	840	840	978
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	-	-	-	-
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	740	-	-	-	620	-	700	687	777
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 32.1 baht/U.S.\$									

Market Tone

Domestic and export prices dropped 5 percent from the previous week due to a slowdown in foreign buyers' demand. Most enquiries have not been concluded as sales as quotations are considered to be too high. Foreign buyers are in a wait-and-see position as they expect further drop in global prices if India and Vietnam relax their rice export bans in the second half of the year. Thai government officials confirmed that Cambodia has relaxed its export ban. In addition, regarding the G-to-G offer of the Thai Government to the Philippines last week, traders expect the Philippines will not make any decision until early July when new crops supplies of Vietnamese rice are available. Also, the Malaysian Government is seeking Vietnamese rice to fulfill import demand of another 300,000 tons of white rice after a buying contract of 200,000 tons with Thailand a few weeks ago (TH8074). Meanwhile, shipments of parboiled rice are underway, particularly to Nigeria, with no pressure on domestic prices as exporters have covered rice supplies for most of the contracts.

Prices will likely continue to fluctuate in the following weeks as exporters and millers are still reluctant to conclude deals, particularly for large-volume sales. Export prices were reportedly marked \$50/MT up from regular quotations in order to avoid losses from domestic price fluctuation. As a result, premium white rice prices will likely be offered at around \$900/MT, FOB.

Rice farmers in the north have lodged a very public campaign in support of higher prices for paddy, but this discussion is focused on glutinous rice. (White rice paddy prices remain high.)

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
APR 6	175,536	202,861	2,502	1,234	102.7
APR 13	157,439	193,917	2,659	1,359	95.6
APR 20	85,612	164,306	2,745	1,472	86.5
APR 27	169,952	147,135	2,915	1,608	81.3
MAY 4	135,461	137,116	3,050	1,685	81.0
MAY 11	137,226	132,063	3,188	1,795	77.6
MAY 18	187,581	157,555	3,375	1,902	77.4
MAY 25	174,175	158,611	3,549	2,026	75.2

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Unofficial exports (excluding fragrant rice) for May 19-25, 2008 totaled 174,175 tons, up 13,406 tons from the previous week, and up 15,564 tons from the four-week moving average of 158,611 tons. Exports during Jan. 1 – May 25, 2008 totaled 3,549,422 tons, as compared with 2,026,073 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Mar. 31, 2008, amounted to 3,254,946 tons, up 66.7 percent from 1,952,388 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of May 5-9, May 12-16, and May 19-23, 2008 are as follows:

Movement (MT)	May 5-9	May 12-16	May 19-23
Weekly sales	228,984	187,851	207,927
4 week sum	630,000	700,448	800,077
4 week mov. avg.	157,500	175,112	200,019
Total weekly sales	3,455,641	3,643,492	3,851,419

End of Report.